SUBSTANTIAL AMENDMENT TO THE 2008 ANNUAL ACTION PLAN

(Third Amendment)

DRAFT REPORT City of Augusta, Georgia

Augusta

For American Recovery and Reinvestment Act Program

COMMUNITY DEVELOPMENT BLOCK GRANT - RECOVERY (CDBG-R)

COMMENT PERIOD: MAY 15, 2009 – MAY 22, 2009

Submit Written Comments by 5:00 p.m. May 22, 2009 to:

Rose L. White, Assistant Director - Programs
Augusta Housing & Community Development Department
925 Laney-Walker Boulevard, 2nd Floor
Augusta, Georgia 30901
(706) 821-1797

A. General Information

Grantee Name	City of Augusta, Georgia
Name of Entity or Department Administering Funds	Housing & Community Development Department
CDBG-R Contact Person (person to answer questions about this amendment and CDBG-R)	Rose L. White, Assistant Director - Programs Chester A. Wheeler, III
Title	Director
Address Line 1	925 Laney-Walker Boulevard, 2 nd Floor
Address Line 2	
City, State, Zip Code	Augusta, Georgia 30901
Telephone	(706) 821-1797
Fax	(706) 821-1784
Email Address	cwheeler@augustaga.gov
Authorized Official (if different from Contact Person)	David S. Copenhaver
Title	Mayor
Address Line 1	530 Greene Street, 8 th Floor
Address Line 2	
City, State, Zip Code	Augusta, Georgia 30901
Telephone	(706) 821-1831
Fax	(706) 821-1835
Email Address	mayordeke@augustaga.gov
Web Address where this Form is Posted	www.augustaga.gov

Amount Grantee is Eligible to Receive	\$606,372
Amount Grantee is Requesting	\$606,372

B. INTRODUCTION

The City of Augusta annually receives funds from the U. S. Department of Housing and Urban Development (HUD) that includes Community Development Block Grant, HOME Investment Partnerships, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS. For receipt of these funds, the City must submit a 5-year long-range plan known as the Consolidated Plan. Each year of the five-year plan, the City must develop an Action Plan describing how funds will be used each year to address the goals and strategies in the 5-year Consolidated Plan.

The American Recovery and Reinvestment Act of 2009 "Recovery Act" was signed into law on February 17, 2009. The purposes of the Act include the following:

- 1. To preserve and create jobs and promote economic recovery;
- 2. To assist those most impacted by the recession;
- 3. To provide investments needed to increase economic efficiency by spurring technological advances in science and health;
- 4. To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and
- 5. To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

Funds were appropriated to stimulate the economy through measures that modernize the nation's infrastructure, improve energy efficiency and expand educational opportunities and access to health care.

The Recovery Act includes \$1 billion in Community Development Block Grant Recovery (CDBG-R) funds to support a broad range of housing and community development projects that should be "shovel-ready" and can be implemented as soon as possible.

The City will receive an allocation of \$606,372 in new CDBG-R funds that is a one-time special allocation of 2008 CDBG funding. HUD requires that the City of Augusta prepare and submit a Substantial Amendment to its Consolidated Plan 2008 Action Plan that outlines how the City will use and administer the funds. This document represents the details of the Substantial Amendment to the Plan.

This is the third amendment to the City of Augusta 2008 Action Plan. This amendment is necessary to allow the use of additional Community Development Block Grant Recovery funds. The City must give priority to projects that can award contracts within 120 days and be completed by September 30, 2012, which is the deadline for use of CDBG-R funds.

COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY FUNDS (CDBG-R)

CDBG-R funds enables local governments to undertake a wide range of activities intended to create a suitable living environment, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. As specified under the Recovery Act, the City has given priority for use of the funds to projects that can be awarded contracts based on bids within 120 days from when HUD signs the City's Grant Agreement.

The City will use funds for three (3) projects that are described in more detail in this document. HUD has asked staff to consider funding **existing projects** that are shovel-ready. Priority has been given to projects that maximizes job creation and provides economic benefit. These projects include the creation of permanent, temporary and construction jobs that are eligible under the CDBG-R regulations. Furthermore, these projects can be awarded and ready to bid within 120 days from the date the funds are made available to the city.

C. CITIZEN PARTICIPATION

According to the CDBG-R Program notice issued May 5, 2009, HUD is waiving the Consolidated Plan regulations to the extent necessary to adjust the reporting requirements for the use of CDBG-R funds to comply with the Recovery Act. The waivers and alternative requirements provide expedited program implementation and implement statutory requirements unique to this supplemental appropriation.

In the regular CDBG program, the City is required to provide 30 calendar days for soliciting comments from its citizens before it submits an annual action plan to HUD. Then, HUD has 45 calendar days to accept or reject the plan. To expedite the process and to ensure that the CDBG-R grants are awarded in a timely manner, while preserving a reasonable citizen participation process, HUD is waiving the requirement that the City follow its citizen participation plan for this substantial amendment. HUD is shortening the minimum time for citizen comments to seven (7) calendar days and requiring the substantial amendment materials to be posted on the City's official website as the materials are developed, published, and submitted to HUD.

In compliance with the CDBG-R notice for citizen participation, the Citizen's Participation process has been expedited due to the importance of providing immediate economic stimulation. The process included the following steps:

- Posted Substantial Amendment on the City's official web site at: www. augustaga.gov on May 15, 2009.
- ➤ The expedited 7-day comment period started May 15, 2009 and ends May 22, 2009.
- Copies of the Substantial Amendment available for public review at the following locations:

Mayor's Office Augusta-Richmond County Municipal Building 530 Greene Street, 8th Floor Augusta, Georgia 30901 ARC Planning Commission 525 Telfair Street Augusta, Georgia 30901

City's Administrator Office Augusta-Richmond County Municipal Building 530 Greene Street, 8th Floor Augusta, Georgia 30901 ARC Public Library 902 Greene Street Augusta, Georgia 30901

Augusta Housing & Community Development Department 925 Laney-Walker Boulevard, 2nd Floor Augusta, Georgia 30901

- ➤ The Commission Administrative Services Committee will consider for approval the proposed projects, Substantial Amendment and any citizen's comments received. If approved by Committee, the amendment will be forwarded to the full Commission for approval on June 2, 2009.
- June 4, 2009 Send Substantial Amendment to HUD for receipt by June 5, 2009
- Post Substantial Amendment with Citizen's Comments on City's web site, June 11, 2009
- ➤ Publish in Newspaper Notification of Transmittal of Substantial Amendment to HUD and Availability of Amendment for public review at Augusta Housing and Community Development Department, ARC Planning Commission, Mayor's Office, City Administrator's Office and ARC Public Library.

As a result of the publication of the Substantial Amendment, the City received the following comments:

(NOTE: Insert here a summary of comments received and Commission action.)

D. <u>DISTRIBUTION AND ADMINISTRATION OF FUNDS</u>

- 1. Describe Activity Description, Funding sources and amounts in format below:
 - Activity Name
 - Activity Description
 - CDBG-R Dollar Amount Budgeted
 - Eligibility Category
 - National Objective Citation
 - Additional Recovery Act funds for the activity received from other programs
 - Total Activity Budget

Response:

CDBG-R funds will be used for the following projects:

Activity Name: LANEY-WALKER ENTERPRISE INITIATIVE

Activity Description: This project will be administered by Antioch Ministries, a local faith-based non-profit Community Based Development Organization (CBDO). The project involves the construction of a 4,950 square feet new 2-story facility to be located at the corner of Laney-Walker Boulevard and Blount Avenue in the Laney-Walker neighborhood. The facility has a three-fold purpose and will be used as:

a. Micro-Enterprise Development

Training will be provided to micro-enterprise businesses consisting of classes in business plan development, business skills, credit repair, marketing, financial management, and provision of one-on-one technical assistance. Micro-loans will be available to clients with follow-up and post loan assistance.

b. Business Incubator

The Business Incubator will be designed to assist new entrepreneurs in successfully growing their small businesses by providing low cost space, office support services and business management assistance. Other services to include planning, accounting, marketing and financing, access to copier and fax machines, high-speed Internet access, computer lab, receptionist and fully serviced office space will be provided.

c. Neighborhood Network Center

This component will provide an opportunity for education, training, supportive services and connections to the surrounding community for area residents. Area residents will have access to current, top-quality technological resources in which they can become self-sufficient by improving employability and connecting with people and resources within the community.

CDBG-R Dollar Amount Budgeted: \$400,000

Eligibility Category: 570.204 (a) (2) Special Activities by Community Based Development

Organization - Community Economic Development project

National Objective Citation: Low to Moderate Jobs (LMJ)

Additional Recovery Act funds for this activity received from other programs: None

Total Activity Budget from all sources:

	Funding		Budget Line Item Covered		,		
Source	Amount		Amount			Funds	
Federal EDI Planning Grant	\$	74,400	Land Acquisition & A/E Costs				
Antioch Ministries' Equity Investment	\$	119,900	0 Land Acquisition/Clearance		&		
			Demol	ition			
Meybohm Realtor's Grant	\$	10,000	Constr	uction			
First Bank Construction Loan	\$	253,108	Constr	uction			
CDBG-R Funds	\$	400,000	Constr	uction			
	\$	857,408					

Describe how the use of CDBG-R funds for this activity will maximize job creation and economic benefit in relation to CBDG-R funds obligated and will address the Recovery Act

Response:

This project will create jobs and promote economic recovery in the Laney-Walker neighborhood. The total number of jobs to be created is 57 full time jobs.

The Laney-Walker neighborhood is a low income neighborhood recently designated by HUD as a Neighborhood Revitalization Strategy Area (NRS) which also includes Bethlehem neighborhood. Also, because of the distressed conditions of the neighborhood, Laney-Walker neighborhood was designated an Enterprise Zone five years ago. An enterprise zone is a geographic area which is suffering from disinvestment, underdevelopment and general economic distress. In an effort to encourage revitalization in distressed communities, the Georgia General Assembly enacted the Enterprise Zone Employment Act of 1997, to induce the investment of private resources in productive business enterprises located in the designated area.

Population: There are approximately 3,762 residents in Laney-Walker with 79% being low to moderate income persons. The neighborhood is located in Census Tracts 7 and 9.

Housing Conditions: Residents of this neighborhood suffer from poor housing conditions. Of the 1284 structures in the neighborhood, 235 houses are in poor condition, 131 houses in deteriorated condition (structural and need of major repairs), 115 houses in dilapidated condition (uninhabitable and should be demolished), 456 vacant lots and 284 vacant buildings.

Employment: There is a high unemployment rate in Laney-Walker neighborhood. For year 2007, it is estimated that 83.8% are employed, 13.4% unemployed and 1.3% in the Armed Forces. These percentages have increased during year 2009. The City's Housing Rehabilitation Program has noted an increase in small contractors looking for construction work, willing to do lower level construction work, thus illustrating the need for construction and trade worker jobs.

The jobs to be created as a result of this project will greatly contribute to the economic recovery of the Laney-Walker neighborhood.

Total Number jobs to be created by this project:

Permanent Full-time jobs	6
Temporary Full-time construction jobs	51
Total Full-time jobs to be created	57

I	PERMANENT JOBS	Tempora	ry Construction Jobs	Company	
1 FT	Retail Shop Manager	4 FT	Site Work	GA/Carolina	
			(laborers)		
1 FT	Retail Shop Assistant	2 FT	Footings	Cummings Home Improvement	
	Manager		(laborers)		
5 PT	Retail Shop Workers	3 FT	Brick Mason	Lewis Coleman Masonry	
1 FT	Receptionist	5 FT	Framers	Cumming Home Improvement	
1 PT	Maintenance Worker	2 FT	Electrician	DEL Contracting	
		2 FT	Plumbers	Wheatley's Plumbing	
		3 FT	HVAC Techs	Buddy & Associates	
		4 FT	Drywall	Cummings Interiors/Exteriors	
		2 FT	Iron workers	Garrison's A-1 Iron Works	
		2 FT	Security Installers	Calloway Security	
		4 FT	Stucco Installers	GA Carolina Stucco	
		5 FT	Painters	Cumming Home Improvements	
		3 FT	Irrigation Installer	Mays Nursery	
		2 FT	Carpet /Tile Installer	Carpet Wholesale	
		3 FT	Gen. laborer	Cummings Home Improvement	
		1 FT	Const. Manager	Cummings Home Improvement	
		1 FT	Quality Control	AMI Project Manager	
			Techs		
		2 FT	Engineers	Ayercorp	
		1 FT	Architect		
Sub-To	al: Permanent – 6 FT Jobs	51 FT	Sub-Total: Temporary Construction - 51 FT Jobs		
TOTAL:	57 Full Time Jobs				

Activity Name: CLEARANCE/DEMOLITION

Activity Description: The structure is a 16-unit dilapidated single story apartment complex located at 910 Wrightsboro Road in the Laney-Walker neighborhood. The City has acquired the property and proposes to demolish the structure. Upon completion of demolition and clearance, the project will be used for future redevelopment of the Laney-Walker area within the next 120 days.

CDBG-R Dollar Amount Budgeted: \$36,053

Eligibility Category: 570.201(d) – Clearance and Demolition

National Objective Citation: Low/Mod Area (LMA) Census Tracts: 7 and 9 (79% LM)

Additional Recovery Act funds for this activity received from other programs: None

Total Activity Budget from all sources: CDBG-R \$ 36,053

CDBG <u>\$200,000</u> Total Budget \$236,053

Number jobs to be created:

Temporary Construction Jobs		
# Jobs	Job Titles	
1 FT	Foreman	
2 FT	Machine Operators	
1 FT	Truck Driver	
3 FT	Laborers	
Total 7 FT Tempora	ry Construction Jobs	

Describe how use of CDBG-R funds for activity will maximize job creation and economic benefit in relation to CBDG-R funds obligated and will address the Recovery Act

Response:

This project is located in the same distressed Laney-Walker neighborhood as the Laney-Walker Enterprise Initiative project. This project will create jobs and promote economic recovery in the Laney-Walker neighborhood. The total number of jobs to be created is seven (7) full time temporary construction jobs.

Activity Name:SMALL BUSINESS DEVELOPMENT/RECRUITMENT

Activity Description: Funds will be used to assist one business which is located in the Laney-Walker neighborhood.

CDBG-R Dollar Amount Budgeted: \$140,000

Eligibility Category: 570.203 (a) - Special economic development activities

National Objective Citation: Low Mod Jobs (LMJ)

Additional Recovery Act funds for this activity received from other programs: None

Total Activity Budget from all sources: CDBG-R: \$140,000

Bank Loan: \$387,350 Owner's equity: \$130,000 Total Funds \$797,350

Number jobs to Create/Retain:

Permanent Jobs		
	# Jobs	Job Titles
1 FT Manager		Manager
	2 FT	Wash/Fold Attendants
1 PT A		Attendant (Weekend)
1 PT Security Guard		
Total: 4 Full time Permanent Jobs		

Describe how use of CDBG-R funds for activity will maximize job creation and economic benefit in relation to CBDG-R funds obligated and will address the Recovery Act

Response:

This project is located in the same distressed Laney-Walker neighborhood as the Laney-Walker Enterprise Initiative project and the Clearance/Demolition project listed in this Substantial Amendment. This project will create jobs and promote economic recovery in the Laney-Walker neighborhood. The total number of jobs to be created is four (4) full time permanent jobs.

4. Activity Name: ADMINISTRATION

Activity Description: Funds will be used for oversight and management of the CDBG-Recovery Program by the City's Housing and Community Development staff.

CDBG-R Dollars Budgeted: \$30,319

Eligibility Category: General Program Administration

National Objective Citation: 570.206

Additional Recovery Act funds to be used in conjunction with this activity:

None

Total Activity Budget from all sources: CDBG-R \$30,319

Number jobs to be created/Retained: Not Applicable

E. <u>DESCRIPTION OF HOW THE DISTRIBUTION AND USES OF CDBG-R FUNDS WILL</u>

MEET THE REQUIREMENTS OF TITLE XII OF DIVISION A & SECTION 1602 OF THE

RECOVERY ACT; that in selecting projects to be funded, 1) priority be given to projects
that can award contracts on bids within 120 calendar days from the date the funds are
made available from HUD and 2) recipients shall give preference to activities than can
be started and completed expeditiously, including a goal of using at least 50% of the
funds for activities than can be initiated not later than 120 calendars after February 17,
2009.

Response:

In selecting projects for funding, the City gave priority to projects that definitely will be let for bid within 120 days from the date the funds are made available to City. The two (2) projects fitting into the criteria are: 1) construction of the Laney Walker Enterprise Center and 2) demolition of the structure located at 910 Wrightsboro Road, Augusta, Georgia. The City intends to prepare bid documents and initiate project bidding June 2009. Bids will be received July 2009 with the contract award expected no later than August 2009. Construction is expected to begin by September 1, 2009.

For the Small Business Development/Recruitment project, a business has been identified and is in the process of obtaining additional financing for the project. If successful, the entire \$140,000 will be used within 90 days. If financing has not been obtained by July 2009, the City has another business candidate to use funds.

Therefore, all three (3) projects are considered "shovel ready" or "quick start" projects which will be successfully start within the 120-day time frame and be completed in a timely manner before September 30, 2012.

- F. DESCRIBE HOW THE USE OF CDBG-R FUNDS FOR THE ACTIVITY WILL MAXIMIZE

 JOB CREATION AND ECONOMIC BENEFIT IN RELATION TO THE CDBG-R FUNDS

 OBLIGATED AND WILL ADDRESS THE RECOVERY ACT, BY (select one):
 - 1. Preserving and creating jobs and promoting economic recovery;
 - 2. Assist those most impacted by the recession;
 - 3. Providing investing needed to increase economic efficiency;
 - 4. Investing in transportation, environmental protection or other infrastructure that will provide long-term economic benefits;

- 5. Minimizing or avoiding reductions in essential services; or
- 6. Fostering energy independence

Response:

The three (3) projects the City is requesting funds for address community needs, produce jobs, provide economic stimulus, provides long-term economic benefit and are ready to start 120 days from receipt of funds. Therefore, these projects will fulfill the purpose of the American Recovery and Reinvestment Act by creating jobs and providing economic recovery in an inner city distressed neighborhood (Laney-Walker).

Listed below is a summary of the jobs to be created:

	Permanent Jobs		Permanent Jobs Temporary Construct	
PROJECT	Part-	Full-Time	Part-Time (PT)	Full-Time (FT)
	Time (PT)	(FT)		
Laney-Walker Enterprise Initiative	6	3	0	51
Clearance/Demolition	0	0	0	7
Small Business Dev/Recruitment	2	3	0	0
Sub-total	8	6	0	58

TOTAL EQUIVALENT FT JOBS	68
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G. <u>DESCRIBE ACTIVITIES THAT WILL BE CARRIED OUT WITH CDBG-R FUNDS THAT PROMOTE ENERGY CONSERVATION, SMART GROWTH, GREEN BUILDING TECHNOLOGIES OR REDUCED POLLUTION EMISSIONS</u>

Response:

The proposed projects for use of CDBG-R funds include two (2) construction projects; an incubator/network center facility and clearance/demolition of a dilapidated structure in a distressed low income neighborhood.

Construction materials to be used will include energy efficient windows, insulation and Energy Star products. Using super insulated walls and high energy-efficient windows will dramatically reduce the amount of energy needed to operate the center.

Smart growth is an urban planning and transportation theory that concentrates growth in the center of a city to avoid urban sprawl; and advocates compact, transit-oriented,

walkable, bicycle-friendly land use, including neighborhood schools, complete streets, mixed-use development with a range of housing choices.

As aforementioned, the three (3) projects being proposed for funding are located in the Laney-Walker neighborhood, which is located in the inner city. In very close proximity to this neighborhood are:

- 5 Hospitals
 Medical College of Georgia, University Hospital, VA Medical Center, Select Specialty
 Hospital and Walton Rehabilitation Hospital
- Augusta-Richmond County Health Department
- 2 Schools Lucy Laney High School and AR Johnson Magnet School
- 1 Neighborhood Library
- 1 Museum Lucy C. Laney Museum of Black History
- Augusta Transit System with numerous bus stops
- Neighborhood Laundromat
- Neighborhood Shopping Center
- Neighborhood Childcare Center
- Numerous Churches
- Muncipal Building
- Several Small Businesses

With the above facilities being neighborhood-centered, the facilities are in walking distance for residents.

The neighborhood also consists of dilapidated houses and over-grown vacant lots. Because this neighborhood has been designated as a redevelopment area, new houses are being constructed, old houses are being rehabilitated and some demolished and replaced with new houses or businesses. The goal is to have a diversified mixed-income

neighborhood. Providing quality housing for people of all income levels is an integral component in any smart growth strategy.

H. ESTIMATED BUDGET SUMMARY

CDBG-R Estimated Budget Summary			
Project	Total	Amo	ount Budget
Laney-Walker Enterprise Center		\$	400,000.00
Clearance/Demolition		\$	36,053.00
Small Business Development/Recruitment		\$	140,000.00
Sub-Total		\$	576,053.00

Planning/Administration (up to 10% of allocation)	\$ 30,319.00
Total CDBG-R Amount Budgeted	\$ 606,372.00

For information concerning this Substantial Amendment, contact:

Rose White, Assistant Director – Programs
Housing and Community Development Department
925 Laney-Walker Boulevard, Second Floor
Augusta, Georgia 30901

Phone: (706) 821-1797

Fax: (706) 821-1784

or

Chester A. Wheeler, III
Director of Housing and Community Development Department

I. <u>Authorized Signature</u>

By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete, and accurate to the best of my knowledge. I also provide the required assurances and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

	<u>June 2, 2009</u>
Signature/Authorized Official	Date

J. <u>Certifications</u>

(Not Available from HUD yet)